REMARKS

Reconsideration and allowance of the subject application are respectfully requested.

Claims 24-38, 40, 41, 44 and 46-49 are pending in the application, with Claims 24, 34, 41 and 44 being independent.

All claim amendments made herein were made for clarity with respect to the specification and Drawings, and not for any purpose related to a statutory requirement. No new matter has been added.

Claims 24-38, 40, 41, 44 and 46-49 were rejected as being unpatentable over U.S. Patent 5,347,306 (Nitta) and U.S. Patent 6,161,099 (Harrington).

Harrington discloses a web-site based system for auctioning municipal bonds. The municipal bonds for sale are listed, along with the terms and conditions of their sale, on a series of web pages which can be accessed by pre-registered users. Bids are input into one or more appropriate web pages by users and the leading bids are displayed to users.

In the Harrington system, all communications between the auctioneer and the users are via data links, i.e., html (see Col. 7, lines 8 to 11), and no voice communication occurs between bidders or with the auctioneer.

Nitta discloses an animated electronic meeting place. Specifically, to conserve bandwidth compared with a video conferencing system, a virtual meeting place is displayed to users of the system who are displayed as animated figures within that virtual space, rather than as real video images of the users. Nitta does disclose the provision of voice communications as part of the electronic meeting place, however the voice communication is merely a conferencing system wherein all voice communications from all participants are mixed together and the resulting mix provided to all participants.

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Systems such as that disclosed in Harrington are acknowledged in the Background of the Invention portion of the present application (see paragraphs 0003 and 0004) and suffer from the disclosed problems and disadvantages. In particular, the excitement of a "live" voice auction is missing.

Similarly, conference systems such as that disclosed by Nitta are also acknowledged in the Background of the Invention portion of the present application (see paragraph 0005) and suffer from the disclosed problems and disadvantages. In particular, the auctioneer may not be able to identify bidders as the voices of all bidders are mixed into an audio signal which is provided back to all the users, making that audio very noisy and hard to understand/follow. There also exists a risk that control of the auction can be lost by a bidder pretending to be the auctioneer and/or otherwise interfering with the progression of the auction.

In contrast, in the presently claimed invention, the excitement of a live voice auction is provided while the above-mentioned problems and/or disadvantages are avoided.

Applicants respectfully submit that it is well established that, in order to sustain a rejection under 35 U.S.C. §103, it is the burden of the USPTO to establish a *prima facie* case of obviousness. See In re Reuter, 651 F.2d 751, 210 U.S.P.Q. 249 (CCPA 1981). In asserting such a case of obviousness a proposed modification of a particular reference or a combination thereof with another reference must be presented in order to arrive at the claimed invention. In this regard, the teachings of a single prior art reference or a primary prior art reference (which is combined with one or more secondary prior art references) must be sufficient to justify a conclusion that any proposed modification or combination of references is what one of ordinary skill in the art would have found obvious to do at the time the invention was made. See In re Linter, 458 F.2d 1013, 173 U.S.P.Q. 560, 562 (CCPA 1972). Moreover, the courts have held that there must be some logical reason apparent from the evidence of record that would justify a modification or combination of prior art references. See In re Regel, 188 U.S.P.Q. 132 (CPPA 1975). If there is no such reason, the *prima facie* case of obviousness has not been made out. See Oscar Mayer Foods Corp. v. Sara Lee Corp., 15 U.S.P.Q. (2d) 1204, (D.C. Wis., 1990).

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Further, hindsight combination of references is not a valid basis for rejection under 35 U.S.C. §103. See In re Adams, 148 U.S.P.Q. 742 (CPPA 1966) and In re Skoll, 187 U.S.P.Q. 481, 484 (CCPA 1975). Further, in Twin Disc Inc. v. United States, 10 Cl. Ct. 713; 231 U.S.P.Q. 417, 425 (Cl. Ct. 1986), the Court stated:

> " .... it is now clear beyond cavil that it is not permissible to ascertain factually what the inventors did and then view the prior art in such a manner as to select from the random facts of that art only those which may be modified and then utilized to reconstruct the claimed invention."

Citing Orthopedic Equipment Co., Inc. v. United States, 702 F.2d 1005, 1012; 217 U.S.P.Q. 193, 199 (Fed. Cir. 1983), the Court in Twin Disc further stated that it is incorrect to use the patent in suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve the result of the claims in suit.

Applicants respectfully submit that there is no reason why one of ordinary skill in the art would be led to combine Nitta and Harrington to achieve the present invention. Harrington is concerned only with the non-voice auction, over long periods of time appropriate to the sale of municipal bonds. There is no teaching or inventive in Harrington to employ voice in the auction process to enhance excitement in the auction. In fact, auctions of financial instruments such as municipal bonds is not intended to be exciting. Similarly, Nitta does not even disclose an auction system beyond hinting at conducting an auction via a telephone conference call.

Even if, arguendo, one were to combine the teachings of Harrington and Nitta, one would still not be lead to the presently claimed invention as Harrington's user access controls web pages, as a manner of managing users, and Harrington's display of leading bids on web pages as the method of providing auction information to users cannot be applied to voice auctions.

In the presently claimed invention, each user/bidder has a voice terminal which is used to participate in the auction. The Auctioneer communicates with users via voice messages. Bidders receive the voice messages from the Auctioneer and bidders bid by voice messages to the Auctioneer. A processing means receives the bidder voice

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messages to the Auctioneer and converts those messages into bidder data signals containing a bidder identifier and the bid information. The bidder identifier and bid information are provided to the Auctioneer via an output means and the Auctioneer can review and act on the information. Neither Nitta nor Harrington disclose the conversion of voice bidder messages into bidder identifiers and bid information which is presented to an auctioneer.

Amended Claim 24 recites, "A *voice-based* auction system ... a processing means ... for converting said *voice* bidder messages into bidder data signals, each of said bidder data signals containing a bidder identifier and bid information ... presenting said bidder data signals to said auctioneer." (emphasis added)

As neither of Nitta or Harrington teach or suggest the processing means of the claim, Applicants respectfully submit that amended Claim 24 is deemed to be allowable. Further, as Claims 25 through 33 depend, either directly or indirectly, from Claim 24 which is deemed to be allowable, Applicants respectfully submit that these claims are also deemed to be allowable.

Amended Claim 34 recites, "A *voice-based* auction system for use over a communication network comprising ... a processing means attached to said connecting means for converting said voice bidder messages into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information ... a *time compensation means* ... for determining propagation delays of signals within said network and utilizing said propagation delays for ordering said active bidder messages according to a real-time order in which said bidder messages were entered ... and said time compensation means for presenting, in order, said active bidder data signals to said auctioneer." (emphasis added)

In addition to reciting the novel processing means, amended Claim 34 further recites a time compensation means which compensates for propagation delays in the network. Neither Harrington, which only deals with timing issues by stamping each message from a bidder with a realtime clock, nor Nitta, which does not deal with latency or timing issues at all, teach such a time compensating means.

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Accordingly, as neither of <u>Nitta</u> or <u>Harrington</u> teach or suggest the processing means of the claim, nor the time compensating means of the claim, Applicants respectfully submit that amended Claim 34 is deemed to be allowable. Further, as Claims 35 through 40 depend, either directly or indirectly, from Claim 34 which is deemed to be allowable, Applicants respectfully submit that these claims are also deemed to be allowable.

Amended Claim 41 recites, "A *voice* processing means for use in an auction system ... comprising: ...*recognizing means* for converting said and voice bidder messages into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information and ... a *message selector* for determining whether said voice bidder messages are active bidder messages or inactive bidder messages...".

As neither of <u>Nitta</u> or <u>Harrington</u> teach or suggest a processing means including the recognizing means and message selector of the claim, Applicants respectfully submit that amended Claim 41 is deemed to be allowable. Further, as Claims 42 and 43 depend, either directly or indirectly, from Claim 41 which is deemed to be allowable, Applicants respectfully submit that these claims are also deemed to be allowable.

Amended Claim 44 recites, "A method of conducting a *voice-based* auction over a network comprising the steps of ... receiving a voice bidder message from a bidder ... *converting said voice bidder message* into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information ... presenting said bidder data signal to said auctioneer..." (emphasis added).
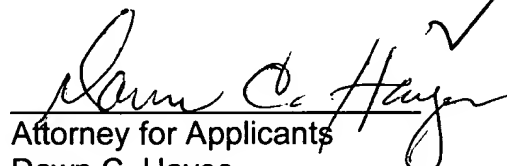
As neither of <u>Nitta</u> or <u>Harrington</u> teach or suggest a method of conducting a voice-based auction including the steps of converting voice bids into bidder identifiers and bid information, Applicants respectfully submit that amended Claim 44 is deemed to be allowable. Further, as Claims 45 through 49 depend, either directly or indirectly, from Claim 44 which is deemed to be allowable, Applicants respectfully submit that these claims are also deemed to be allowable.

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Applicants respectfully submit that the above amendments are fully supported by the application as originally filed, and do not constitute the addition of any new subject matter to the application.

In view of the above amendments and remarks, it is believed that the application is now in condition for allowance, and further action to that end is respectfully requested.

Applicants' undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 625-3500. All correspondence should continue to be directed to our address given below.

Respectfully submitted,

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Marked-up Version of Claims:

24.   (Twice Amended) [An] A voice-based auction system for use over a communication network comprising:

an auctioneer voice transmitter for entering auctioneer voice messages from an auctioneer;

a plurality of bidder voice terminals each for entering voice bidder messages from a bidder respective thereto, each of said bidder voice terminals also for presenting voice bidder messages from other bidders and said auctioneer voice messages;

a connecting means interconnecting said transmitter and said terminals;

a processing means attached to said connecting means for converting said voice bidder messages into bidder data signals, each of said bidder data signals containing a bidder identifier and bid information; and,

an output means connected to said processing means for presenting said bidder data signals to said auctioneer.

34.   (Twice Amended) [An] A voice-based auction system for use over a communication network comprising:

an auctioneer voice transmitter for entering auctioneer voice messages from an auctioneer;

a plurality of bidder voice terminals each for entering voice bidder messages from a bidder respective thereto, each of said bidder voice terminals also for presenting voice bidder messages from other bidders and said auctioneer voice messages;

a connecting means interconnecting said transmitter and said terminals;

a processing means attached to said connecting means for converting said voice bidder messages into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information and said processing means including a message selector for determining whether said voice bidder messages are active bidder messages or inactive bidder messages;

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a time compensation means attached to said connecting means for determining propagation delays of signals within said network and utilizing said propagation delays for ordering said active bidder messages according to a real-time order in which said bidder messages were entered; and,

an output means connected to said processing means and said time compensation means for presenting, in order, said active bidder data signals to said auctioneer.

41.   (Twice Amended) A voice processing means for use in an auction system for use over a communication network, said auction system having an auctioneer voice transmitter for entering auctioneer voice messages from an auctioneer; a plurality of bidder voice terminals each for entering voice bidder messages from a bidder respective thereto, each of said bidder voice terminals also for presenting voice bidder messages from other bidders and said auctioneer voice messages; a connecting means interconnecting said transmitter and said terminals, said processing means comprising:

recognizing means for converting said and voice bidder messages into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information and, ; and,

a message selector for determining whether said voice bidder messages are active bidder messages or inactive bidder messages such that only said active bidder messages are converted into bidder data signals to be presented at an output means.

44.   (Twice Amended) A method of conducting [an] a voice-based auction over a network comprising the steps of:

receiving, from an auctioneer, an auctioneer voice message at an auctioneer voice terminal connected to said network;

presenting said auctioneer voice message at a plurality of bidder voice terminal connected to said network;

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receiving a voice bidder message from a bidder, said bidder voice message being responsive to said auctioneer voice message, said voice bidder message received at one of said bidder voice terminals respective to said bidder;

presenting said received voice bidder message at a remainder of said bidder voice terminals;

converting said voice bidder message into a bidder data signal, each of said bidder data signals containing a bidder identifier and bid information;

presenting said bidder data signal to said auctioneer at an output means; and,

repeating the foregoing steps until said auctioneer closes bidding.